

BUSINESS ENTERPRISES PROGRAM
FOR THE BLIND

U.S. OFFICE OF VOCATIONAL REHAB.

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BUSINESS ENTERPRISES PROGRAM FOR THE BLIND

REGULATIONS
PLAN MATERIALS GUIDE
REQUIREMENTS, RECOMMENDATIONS AND STANDARDS

FEDERAL SECURITY AGENCY
OFFICE OF VOCATIONAL REHABILITATION
WASHINGTON, D. C.

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AMERICAN FOUNDATION
FOR THE BLIND INC.

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Federal Security Agency
OFFICE OF VOCATIONAL REHABILITATION
Washington 25, D. C.

October 24, 1945

TO: Executive Officers, State Boards of Vocational Education
Directors or Supervisors, Divisions of Vocational Rehabilitation
Commissions or Other Agencies for the Blind

FROM: Michael J. Shortley, Director

SUBJECT: Business Enterprises Program for the Blind

Experience gained in the study of all types of business ventures indicates that the welfare of blind persons is best served by a controlled vending stand program and, with respect to certain other types of business enterprises, where the operations of such business enterprises are also subject to management, control and operation by the State agencies.

This method has been found to be productive of the best results not only from the standpoint of the individual blind operator, who derives from such a system greater financial returns and a far greater degree of economic security, but also from the standpoint of the community as a whole which sees in an efficiently managed and operated enterprise the actual proof of the abilities of the blind person. In addition, the owners of properties upon which vending stands are located are more satisfied with the quality of the service received by their tenants under such conditions.

Through the use of this system, successful blind persons are assured of the continued availability of established locations; the individual blind operator receives necessary business advice from qualified persons who act under the direction of the State agency and have his welfare and the welfare of the program at heart; and, the State agency is able to make certain that each enterprise is continuously operated by blind persons best qualified for such work.

Additional language included in the Labor-Federal Security Appropriation Act, 1946, now permits Federal reimbursement, during the fiscal year ending June 30, 1946, for one-half of the necessary expenditures by the State agencies for the acquisition of vending stands and other equipment for business enterprises controlled by the State agencies for the continued use of blind persons. The Appropriation Act specifically states that such Federal reimbursement is to be available only in accordance with regulations issued by the Federal Security Administrator. These regulations have now been issued.

The attached materials have been designed to assist State agencies in the management, control and operation of just such a sound program of business enterprises for the blind. These materials are:

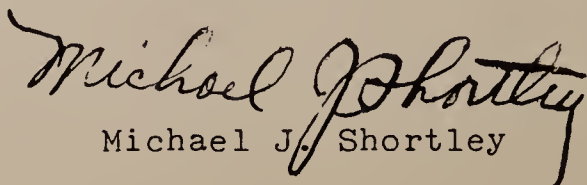
1. Regulations governing the business enterprises program for the blind
2. Plan Materials Guide
3. Requirements, recommendations and standards for -
 - a. Statement of the Responsibility for the Management, Supervision and Operations of the Business Enterprises Program (A-2.0)
 - b. Agreements with Public Agencies or Private Non-Profit Corporations Serving the Blind (A-4.2)
 - c. Relationship Between the State Agency and the Individual Operator (A-6.6)
 - d. Accounting System for the Business Enterprises Program--Vending Stands (A-7.6)
 - e. Statement of Federal Policy Regarding Disposition of Equipment (A-7.14)
 - f. Requirements for the Selection of Locations for Business Enterprises (A-3.2)

It will be noted that Federal requirements have not yet been issued with respect to many other phases of the program. Such additional requirements are not being issued at this time because it is considered desirable to issue them only after further experience has indicated their necessity, character and scope. Plan Materials dealing with phases of the program for which requirements have not been issued must meet the same criteria applicable to all Plan Materials, that is, they must be feasible and must contain no provisions substantially increasing the costs or impairing the effectiveness of the program. Such portions of the Plan Materials will, of course, be subject to revision where necessary to bring them into agreement with any future requirements or standards which may be issued.

You will be interested in knowing that a special Business Enterprises Program Advisory Committee composed of representatives from Commissions for the Blind, rehabilitation agencies and private organizations interested in the welfare of blind persons, reviewed and approved the regulations and Plan Materials Guide before their issuance. They also discussed with us the general content of proposed requirements and standards for various phases of the program.

It is important that you note that Federal reimbursement under these regulations is available *only after* the submission to this office of Plan Materials approvable under these regulations. Federal reimbursement is *not* available for any expenditures made prior to such submission.

The Regional Representative is available for such assistance as you may wish in the preparation of these Plan Materials.


Michael J. Shortley

FEDERAL SECURITY AGENCY
OFFICE OF VOCATIONAL REHABILITATION
Washington, D. C.

R E G U L A T I O N S

GOVERNING

FEDERAL REIMBURSEMENT FOR ONE-HALF NECESSARY
EXPENDITURES FOR ACQUISITION OF VENDING
STANDS AND OTHER EQUIPMENT TO BE
CONTROLLED BY THE STATE AGENCY
FOR THE USE OF BLIND PERSONS

Pursuant to

THE LABOR-FEDERAL SECURITY APPROPRIATION ACT, 1946

Approved July 3, 1945

Title 45 - PUBLIC WELFARE

CHAPTER VI

Issued by the
FEDERAL SECURITY ADMINISTRATOR
FEDERAL SECURITY AGENCY
Washington, D. C.
September 21, 1945

REGULATIONS PURSUANT TO
LABOR-FEDERAL SECURITY APPROPRIATION ACT, 1946, APPROVED July 3, 1945,
TITLE II, SUBHEADING "OFFICE OF VOCATIONAL REHABILITATION,"
GOVERNING
FEDERAL REIMBURSEMENT FOR ONE-HALF NECESSARY
EXPENDITURES FOR ACQUISITION OF VENDING
STANDS AND OTHER EQUIPMENT TO BE
CONTROLLED BY THE STATE AGENCY
FOR THE USE OF BLIND PERSONS

I N T R O D U C T O R Y

Pursuant to the authority conferred by the Labor-Federal Security Appropriation Act, 1946, Public Law 124, 79th Congress, 1st Session, approved July 3, 1945, the following regulations are prescribed with respect to the availability, under such Act, of Federal reimbursement for one-half the necessary expenditures for the acquisition of vending stands and other equipment for the use of blind persons where such vending stands and other equipment are to be controlled by a State Agency:

Sec. 601.1 Terms.--Unless otherwise herein specifically indicated, the terms listed below are defined as follows:

- (a) "Act" means Title II, subheading "Office of Vocational Rehabilitation," of Public Law 124, approved July 3, 1945, known officially as the "Labor-Federal Security Appropriation Act, 1946."
- (b) "Vocational Rehabilitation Act" means Public Law 236, 66th Congress, approved June 2, 1920, as amended by Public Law 113, 78th Congress, 1st Session, approved July 6, 1943.
- (c) "State Plan" means a State Plan of Vocational Rehabilitation approved under the provisions of the Vocational Rehabilitation Act.
- (d) The terms "Administrator," "Director," "State," "State Agency," "State Board" and "Agency for the Blind," as used herein, shall have the respective meanings assigned to them in subsections (2), (3), (4), (5) and (6) of Section 600.1 of the Regulations issued pursuant to the Vocational Rehabilitation Act.
- (e) "Vending Stands" includes such counters, shelving, display and wall cases, refrigerating apparatus, and other appropriate auxiliary equipment, as well as expenses required for the acquisition thereof, including the construction, delivery and installation costs, as are necessary in order to establish suitable retail business enterprises for the benefit of blind persons.
- (f) "Other Equipment" includes such implements, apparatus, fixtures and other equipment as the Director shall determine to be necessary for the establishment, for the benefit of blind

persons, of appropriate business enterprises other than vending stands. The business enterprises established shall include only such manufacturing, servicing, selling, and agricultural activities as are best adapted to the most effective utilization of the skills and aptitudes of blind persons and shall be limited to such types of business enterprises as are set forth in the Plan Materials approved by the Director.

- (g) "Controlled by the State Agency" means a system under which the vending stands and other equipment are owned, directly or indirectly, by the State Agency and the operations of the business enterprises, established by the State Agency through the use of vending stands and other equipment, are managed, regulated and supervised, directly or indirectly, by the State Agency.
- (h) "Program" means the establishment, maintenance and operation for the benefit of blind persons of vending stands and other business enterprises controlled by the State Agency, where Federal reimbursement under the Act is claimed for any portion of the expenditures for the acquisition of the vending stands or other equipment used or where funds are used which are derived in whole or in part from the operation of such vending stands or other business enterprises.
- (i) "Private non-profit corporation serving the blind" means any corporation organized and operated exclusively for the promotion of the social and economic welfare of the blind, no part of the net earnings of which inures to the benefit of any shareholder or individual.
- (j) "Operator" means the blind individual selected by the State Agency to conduct the daily operations of a particular vending stand or other business enterprise in the program.
- (k) "Randolph-Sheppard Act" means Public Law 732, approved June 20, 1936, enacted by the 74th Congress.
- (l) "Designated State Licensing Agency" means a State Commission for the Blind or other public agency designated by the Commissioner of Education under the provisions of the Randolph-Sheppard Act to issue licenses to blind persons for the operation of vending stands in Federal buildings in the State.

Sec. 601.2. Applicability of Regulations.--These Regulations are applicable only to those State Agencies administering State Plans, or parts thereof, providing for the vocational rehabilitation of blind persons and desiring to claim Federal reimbursement, under this Act, for one-half the necessary expenditures for the acquisition of vending stands and other equipment for the program.

Sec. 601.3. Plan Materials.--Federal reimbursement, in accordance with the Act and these Regulations, shall be available only to the extent that such expenditures are made pursuant to the provisions of Plan Materials approved by the Director, who shall approve Plan Materials which are found

by him to comply with the requirements set forth in the Act and these Regulations and which are determined by him to be feasible and to contain no provisions substantially increasing the costs or impairing the effectiveness of the program.

Sec. 601.4. Content of Plan Materials - Form, Submission and Amendment.--To facilitate review, Plan Materials should follow the main outlines as to form and content indicated in the "Guide for the Submission of Plan Materials Relating to Controlled Vending Stands and Business Enterprises for the Blind," which will be released to accompany these Regulations. The Plan Materials shall be transmitted over the signature of the duly authorized officer of the State Board and also over the signature of the duly authorized officer of the Agency for the Blind, where the program is administered by such Agency for the Blind, and shall indicate the date of adoption, the effective date, and the fulfillment of any necessary conditions precedent. Amendments shall be similarly submitted as frequently as may be necessary to reflect actual or, where Federal requirements are involved, contemplated changes in any material phase of the program.

Sec. 601.5. Content of Plan Materials - Coverage.--The Plan Materials shall include comprehensive descriptions, together with supporting and explanatory documents, agreements and forms, of the material phases of the management, control and operation of the program, including the following:

- (a) Pertinent legal provisions relating to the operations of the program and to the authority of the State Agency for its administration.
- (b) The organizational structure, together with charts thereof, of the unit of the State Agency and of any public agency or private non-profit corporation serving the blind, utilized by the State Agency, and subject to its direct supervision and control, for providing necessary ministerial services in connection with the operating phases of the program, including descriptions of the functions of such unit and of such agency or corporation (together with copies of the charter and bylaws thereof), of the relationships of such unit to such agency or corporation and to other units of the State Agency, and of the composition and functions of the Business Enterprises Advisory Committee.
- (c) The standards of personnel administration applicable to all personnel engaged in the management or control of the program, including detailed job classification and compensation schedules, examination, selection and appointment procedures, and all applicable rules and standards.
- (d) The policies, procedures and standards employed in the selection of suitable locations for vending stands and other business enterprises for the program.
- (e) The policies, procedures and standards governing the relationship of the State Agency to the operators, including selection, duties, supervision, transfer, financial participation, entitlement to health, retirement and other benefits, and training designed to improve their proficiency.

- (f) The arrangements made or contemplated for the utilization, under the direct supervision and control of the State Agency, of the services of public agencies or private non-profit corporations serving the blind, the criteria employed in the selection of and the agreements with such agencies or corporations, the services to be rendered by them, the procedures for the supervision and control by the State Agency of the activities of such agencies or corporations, the remuneration to be paid for such services, the applicable fiscal and accounting procedures, and the methods used in evaluating the services rendered.
- (g) The policies, procedures and standards for the management, control and operation of the program, including the scope and areas of assistance to and supervision of the operators, the design and purchase of vending stands and other equipment for the program and the purchase of the stock, merchandise, materials and supplies used, sold or manufactured in the program.
- (h) The policies, procedures and standards with respect to the fiscal, statistical and reporting aspects of the program, including sources of funds and procedures and policies relating to the collection, custody, safeguarding and disbursement of the funds used in and derived from the operations of the program and the accounting, budgeting, auditing and statistical methods employed.

Sec. 601.6. Business Enterprises Advisory Committee.--The Plan Materials shall provide for the appointment by the State Agency of a Business Enterprises Advisory Committee composed of persons qualified to advise with respect to the program. The membership of such Advisory Committee shall include recognized business and civic leaders and shall, in addition, contain equal representation from management and labor. It may be constituted as a technical subcommittee of the General Advisory Committee of the State Agency.

Sec. 601.7. In-Service Training.--The Plan Materials shall provide for the establishment of such a system of in-service training for personnel engaged in the management and control of the program as the Director may determine to be necessary to provide such personnel with adequate working knowledge of subjects essential to the efficient fulfillment of their duties.

Sec. 601.8. Selection of Locations.--The Plan Materials shall provide that locations for vending stands and other business enterprises in the program shall be selected in accordance with such standards as the Director may find necessary to assure the most productive utilization of the Federal funds granted and the maximum development of economic opportunities for the blind.

Sec. 601.9. Selection of Types of Business Enterprises.--The Plan Materials shall provide that the types of business enterprises selected for the program shall only be such as are determined to be suitable for the most effective utilization of the skills and aptitudes of blind persons in the program and as are set forth in the Plan Materials approved by the Director.

Sec. 601.10. Selection of Operators.--The Plan Materials shall provide that the State Agency will select the operators for the program in accordance with such standards and in such manner as the Director may find necessary to assure the operation of the program by blind persons who are in need of such economic opportunities and who are qualified therefor through vocational rehabilitation.

Sec. 601.11. Vending Stands in Federal Buildings.--The Plan Materials shall provide that vending stands in Federal buildings shall be established under the program only where the operators thereof have been licensed by the Designated State Licensing Agency and shall be managed, controlled and operated by the State Agency only in accordance with the provisions of the Randolph-Sheppard Act, the Regulations promulgated thereunder and these Regulations.

Sec. 601.12. Supervision of Operators.--The Plan Materials shall set forth such policies and procedures as the Director shall determine necessary to assure the establishment and maintenance of working relations between the State Agency and the operators designed to protect and foster their economic and social welfare.

Sec. 601.13. Management, Control and Operation of Program.--The Plan Materials shall provide that the program shall be managed, operated and controlled by the State Agency in accordance with such sound business principles and practices as the Director may from time to time determine to be necessary in order that the economic opportunities established under the program shall be safeguarded and utilized to the greatest advantage of the economic and social welfare of blind persons.

Sec. 601.14. Use of Program Proceeds.--The Plan Materials shall provide that any proceeds derived, directly or indirectly, by the State Agency from the operations of the program shall be retained by or for the benefit of the State Agency in a separate, continuing account, the funds of which shall be subject to disbursement, under the control and at the direction of the State Agency, for such purposes only and in such manner as the Director may approve, including such purposes as the payment of a pro rata share of the necessary managerial, supervisory and operating expenses, the establishment of a fair minimum return for all operators, the expansion of the program, the preservation and replacement of program assets, and the provision of insurance and other benefits to the operators.

Sec. 601.15. Utilization of Services of Public Agencies or Private Non-Profit Corporations Serving the Blind.--The Plan Materials shall provide that if, in the operation of any phase of the program, the State Agency utilizes the services of a public agency or private non-profit corporation serving the blind, the terms of the agreement between the State Agency and such agencies or corporation shall comply with such standards and contain such provisions as the Director may determine to be necessary to insure the retention by the State Agency of full responsibility for the management, control and operation of all phases of the program and to preserve the economic opportunities established in the program for the benefit of blind persons. The Plan Materials shall also provide that the State Agency will not enter into any agreement or arrangement with any public or private agency or corporation

which will in any way, either directly or indirectly, prejudice, impair or limit the authority of the State Agency to take any action deemed by it necessary for the proper and efficient management, control and operation of the program, including all actions with respect to the selection, placement and financial participation of the operators and the purchase, utilization and disposition of program assets.

Sec. 601.16. Limitation on Amount of Federal Reimbursement.--Federal reimbursement under the Act and these Regulations shall not exceed one-half the necessary cost of acquisition of vending stands or other equipment for the program, Provided, That, such Federal reimbursement shall not exceed \$450.00 for any one vending stand or for any one business enterprise irrespective of the number of operators placed in such vending stand or business enterprise.

Sec. 601.17. Expenditures for Which Federal Reimbursement Is Unavailable.--Federal funds under the Act are available only as set forth in Section 601.16 hereof and are not available for reimbursement, directly or indirectly, for the following types of expenditures: The purchase, erection, rental or repair of any building or buildings; the purchase or rental of any land; the payment of any costs incurred in the management, control or operation of the program; the purchase of stock, livestock, materials, merchandise, supplies, heat, light or power; expenditures for the acquisition of vending stands or other equipment for the blind purchased with State funds prior to the submission of approvable Plan Materials under these Regulations.

Sec. 601.18. State's Interest in Vending Stands and Other Equipment.--The Plan Materials shall provide that the right, title and interest in and to the vending stands and other equipment used in the program will be vested, in accordance with the laws of the State, in the State Agency for use and disposition for program purposes only, Provided, That, subject to the provisions of these Regulations and under such conditions as the Director may establish, such right, title and interest may be vested, in accordance with the laws of the State, in a public agency or a private non-profit corporation serving the blind where such corporation or agency has been designated by the State Agency as its nominee to hold such right, title and interest only for program purposes subject to the paramount right of the State Agency to direct and control the use, transfer and disposition of such vending stands and other equipment.

Sec. 601.19. Disposition of Vending Stands and Other Equipment.--The Plan Materials shall provide that the vending stands and other equipment used in the program will be disposed, by sale, exchange or otherwise, only in accordance with policies and procedures determined necessary by the Director and that upon the disposition or upon the use of such vending stands or other equipment for other than program purposes, any proceeds of such disposition or the fair value of the vending stands or other equipment used for other than program purposes shall be credited to the Federal account in proportion to the Federal participation in the original expenditures for such vending stands and other equipment.

Sec. 601.20. Maintenance of Accounts.--The Plan Materials shall provide for the maintenance by the State Agency of such accounts and supporting documents as the Director may prescribe in order to permit an accurate and

expeditious determination to be made at any time both of the status of the Federal funds granted for the purposes of the Act and of the operations of the program.

Sec. 601.21. Maintenance of Inventories.--The Plan Materials shall provide that the State Agency shall maintain, in accordance with such standards as the Director may establish, complete inventories of all vending stands, other equipment, stock, materials and supplies acquired for or used in the program. The Plan Materials shall, in addition, provide that all vending stands and other equipment used in the program will be suitably marked so as to indicate clearly the nature and extent of the State Agency's interest therein and that such other action will be taken by the State Agency as may be necessary under the laws of the State to establish, protect and maintain such interest.

Sec. 601.22. Reports.--The Plan Materials shall provide that fiscal, statistical and operating reports with respect to the program shall be furnished at such times and with such frequency as the Director shall determine to be necessary upon forms prescribed therefor by the Director.

Sec. 601.23. Payments to States.--Payments to the States for the purposes of the Act will be made in the manner set forth in and under the conditions prescribed by Sections 600.35, 600.36, 600.37 of the Regulations issued pursuant to the Vocational Rehabilitation Act. The estimates submitted in accordance therewith shall contain such additional information with respect to the Federal funds requested for the purposes of the Act as the Director may deem necessary.

Sec. 601.24. Limitation on Payments to States.--With respect to the Federal funds granted for reimbursement under the Act for the acquisition of vending stands and other equipment for the program, the Director may limit, by particular periods, the total amount of Federal funds granted to a State for such purposes.

Sec. 601.25. Suspension of Reimbursement Authorization.--The Director shall, if he finds that a State Agency has failed to comply substantially with the provisions of the Plan Materials approved hereunder, refuse to authorize any further reimbursement from Federal funds for the acquisition of vending stands and other equipment for the program until such time as there is no longer any such failure to comply.

Sec. 601.26. District of Columbia.--All operations within the District of Columbia pursuant to the Act will be administered by the District of Columbia Rehabilitation Service and all applicable provisions of these Regulations, including the formulation and submission for approval of Plan Materials, will govern such operations.



ACTING FEDERAL SECURITY ADMINISTRATOR

September 21, 1945

(11-49288)

Federal Security Agency
OFFICE OF VOCATIONAL REHABILITATION

PLAN MATERIALS GUIDE

Introductory

As provided in the Regulations issued by the Federal Security Administrator governing Federal reimbursement for the acquisition of vending stands and other equipment for use of blind persons, where such stands or other equipment are to be controlled by the State agency, the basic condition to the availability of Federal funds is the submission by the State agency of plan materials describing the management, control, and operation of the Business Enterprises Program.

It is believed that the Regulations have been drafted as simply and as broadly as the Appropriation Act appears to justify. Under this Act, added impetus is given to the opening, with Federal participation, of vending stands and new types of business enterprises for the benefit of blind persons.

Content of Plan Materials

The Plan Materials should include a description of the legal authority of the State agency for administration of the program: the organizational structure of the business enterprises unit of the State agency, of any public agency or private non-profit corporation serving the blind, and of the advisory committee utilized in the program; standards of personnel administration applicable to all State agency personnel; the policies, procedures, and standards governing (1) selection of suitable locations for stands and other business enterprises, (2) all phases of the State agency's relationship to operators, (3) control and operation of the program, (4) fiscal, statistical, and reporting aspects of the program; arrangements for the utilization of the services of a public agency or non-profit corporations serving the blind; copies of forms with descriptions of their use; and copies of agreements and working relationships with Federal, State, and local agencies.

Plan Materials Outline

The Plan Materials should be a realistic and reliable source of reference on any question of State agency practice. The outline has, therefore, been developed in such a manner that, upon the preparation of plan materials, the State agency will have completed a Manual of Operations for the use of the individuals responsible for the conduct of the Business Enterprises Program. By following the outline, the State agency will be able to present materials in a simple, systematic, and orderly manner and to achieve flexibility in the preparation and submission of subsequent revisions or expansions of the materials. The numbering of sections and subsections in the outline simplifies future identification of subject matter. All that is necessary when a subsection is to be changed, expanded, or superseded is to submit for approval a new subsection in substitution for the original one. In addition, this procedure will enable the State agency to duplicate sections or subsections for manual purposes.

Federal Policies and Standards

Statements of Federal policies and standards will be found in the Appendix to the Plan Materials Guide and will be keyed to the section or subsection in the Plan Materials Guide to which they pertain. For example, Section 7.0 of the Plan Materials Guide has its counterpart in Section A-7.0 of the Appendix which contains, as subsection A-7.16, the Federal policies regarding the sale, transfer or exchange of vending stands and equipment and, as subsection A-7.6, a suggested chart of accounts for recording the fiscal transactions of the Business Enterprises Program.

Form of Plan Materials

In the preparation of the Plan Materials, the following procedures should be observed:

1. Materials should be on standard letter size paper.
2. Six copies should be submitted.
3. Each of the subsections should begin on a new page (i.e., 1.1, 1.2, etc.).
4. Charts or forms on pages larger than letter size should be folded so that they may be spread out without being detached.
5. Separate pages should be numbered only with the subsection number dealt with on that page (i.e., 2.1, 2.2, 2.3, etc.).
6. Covers should be attached in such a manner that subsections may be removed and replaced easily.

Submission of Plan Materials

The Plan Materials and all amendments thereto, all estimates, and all budget, statistical and financial reports required to be furnished to the Office of Vocational Rehabilitation should be submitted by the State Board of Vocational Education, accompanied by a letter of transmittal over the signature of the Executive Officer of the State Board and also, where the program is conducted by an Agency for the Blind, over the signature of the duly authorized officer of that Agency.

The letter of transmittal should indicate the date of the adoption of the materials transmitted and their effective date.

OUTLINE FOR PLAN MATERIALS

Sec. 1.0 Legal Basis for Conduct of Business Enterprises Program

(Note: Where the approved State Vocational Rehabilitation plan contains certified copies of laws also pertinent to the Business Enterprises Program, the Plan Materials may include uncertified copies of such laws provided a statement is made upon each such law that it has been compared with the certified copy in the approved State rehabilitation plan and is a true copy.)

- 1.1 Describe and submit certified copies of all pertinent laws affecting the management, control, and operation of the program, including laws relating to:
 - a. Organization, powers and duties of the State agency with respect to the program;
 - b. Personnel engaged in the conduct of the program, including their selection, compensation, travel, etc.;
 - c. Hours, compensation, and other benefits for and restrictions upon the activities of the operators;
 - d. Appropriations for the program, including the establishment, maintenance and control of any program revolving funds;
 - e. Fiscal practices and procedures, including the receipt, disbursement, and control of program funds;
 - f. Accounting and auditing procedures;
 - g. Purchase and sale of merchandise and equipment used in the program;
 - h. Recording the State agency's interest in the personal property used in the program.
- 1.2 Indicate the areas of existing laws where further legislation is needed.

Sec. 2.0 Organization of the Business Enterprises Program

- 2.1 Describe the functional and organizational structure of the unit of the State agency responsible for the conduct of the program and explain its relationship to other units of the State agency.
- 2.2 The Plan Materials shall provide for the appointment of a Business Enterprises Advisory Committee composed of persons qualified to advise with respect to the program.
- 2.3 With respect to the Business Enterprises Advisory Committee, describe its organization, the basis for the selection of its members, and its functions.
- 2.4 Submit an organizational chart showing the unit of the State agency responsible for the conduct of the program and indicate thereon its relationship to the Business Enterprises Advisory Committee and to other units of the State agency.
- 2.5 The Plan Materials shall state that amendments will be submitted as frequently as may be necessary to reflect actual or, where Federal requirements are involved, contemplated changes in any material phase of the program.

Sec. 3.0 Management, Control and Operation of the Program

- 3.1 The Plan Materials shall state that locations for vending stands and other business enterprises in the program will be selected in accordance with such standards as the Director may find necessary.

- 3.2 Describe fully the manner in which locations for vending stands and other business enterprises in the program will be selected.
- 3.3 The Plan Materials shall state that the business enterprises established will include only such manufacturing, servicing, selling and agricultural activities as are best adapted to the most effective utilization of the skills and aptitudes of blind persons and will be limited to such types as are set forth in the Plan Materials.
- 3.4 Describe in detail the types of business enterprises to be conducted in the program, setting forth generally the articles to be sold or manufactured and the basis for their selection.
- 3.5 The Plan Materials should set forth in detail the policies, procedures and standards to be used in determining the types of products to be sold or manufactured in the program.
- 3.6 The Plan Materials shall state that the State Agency will adopt such sound business principles and practices governing the management, operation and control of the program as the Director may determine to be necessary.
- 3.7 Describe in detail the policies, procedures and standards applicable to all phases of the management, control and operation of the program, such as:
 - a. Purchasing goods or services (either central or individual);
 - b. Design of equipment and layout and the extent of use of a uniform design for similar locations and businesses;
 - c. The type and extent of the supervision and assistance provided to the operators (include copies of the agreement entered into by the State Agency with the operators);
 - d. Operator's report to the State Agency (submit samples of forms used and describe the frequency of the submission of such reports);
 - e. State Agency's reports to the operators (submit samples of forms used and describe the frequency of the submission of such reports);
 - f. The collection and disposition of monies derived from sales, and payments made to the operators, including their participation in net profits of the program;
 - g. Providing additional assistance where a location requires the services of more than one operator.
- 3.8 The Plan Materials shall state that vending stands in Federal buildings will be established, managed, controlled and operated only in accordance with the provisions of Section 601.11 of the Regulations.

Sec. 4.0 Utilization of Public Agency or Private Non-Profit Corporations
Serving the Blind

(Note: The information called for by this section should be supplied only where the State Agency intends to utilize public agencies or private non-profit corporations serving the blind for the performance of ministerial services in connection with the operation of the program.)

- 4.1 Describe in detail the organization and functions of the public agency or private non-profit corporations and include copies of their charters and bylaws. (Include a functional and organizational chart.)
- 4.2 The Plan Materials shall state that any agreements entered into between the State Agency and any public agency or private non-profit corporation serving the blind, for the utilization of the services of such agencies or corporations, will comply with such standards and contain such provisions as the Director may determine to be necessary.
- 4.3 Describe the relationships between the State Agency and the public agency or private non-profit corporations, including:
 - a. The types, extent and manner in which the services are to be performed;
 - b. The basis for remuneration to the public agency or private non-profit corporations for their services;
 - c. The standards, policies and procedures established by the State Agency for evaluating the services performed.
- 4.4 Describe the types and frequency of reports required from the public agency or private non-profit corporations. (Submit samples of reports described.)
- 4.5 Submit copies of all agreements between the State Agency and such public agency or private non-profit corporations.
- 4.6 The Plan Materials shall state that the State Agency will not enter into any agreement or arrangement with any public agency or private non-profit corporation which will in any way, either directly or indirectly, prejudice, impair or limit the authority of the State Agency to take any action deemed by it necessary for the proper and efficient management, control and operation of the program, including all actions with respect to the selection, placement and financial participation of the operators and the purchase, utilization and disposition of program assets.

Sec. 5.0 Operating Program Personnel

- 5.1 Describe in detail the procedures relating to personnel used in the conduct of the program showing limitations under which provisional appointments may be made, probationary periods, tenure safeguards, disciplinary procedures, hearing procedures, leave provisions, promotion procedures, etc. (Submit copies of applicable rules and regulations.)
- 5.2 Describe fully the duties and responsibilities of the positions established for the management and control of the operations of the Business Enterprises Program, showing:
 - a. To whom responsible
 - b. Duties and responsibilities
 - c. Salary schedule and funds from which salaries are derived
 - d. By whom appointed
 - e. Time devoted to this work.
- 5.3 Describe fully the qualifications established for such positions.
- 5.4 The Plan Materials shall provide that such a system of in-service training for the personnel engaged in the management and control of the program will be established as the Director may determine to be necessary.
- 5.5 Describe the system of in-service training which will be established for the Operating Program Personnel.

Sec. 6.0 Business Enterprises Operators

- 6.1 The Plan Materials shall state that the operators for the program will be selected only in accordance with such standards and in such manner as the Director may find necessary.
- 6.2 Describe fully the standards and methods to be used in the selection of operators.
- 6.3 Set forth fully the eligibility requirements established for the selection of operators including age, physical condition, residence, education, experience, economic circumstances, skills, and personal qualities.
- 6.4 Describe the arrangement for licensing blind persons selected to operate vending stands in Federal buildings and, if the State Agency is not the designated State licensing agency under the Randolph-Sheppard Act, describe the cooperative relations established with such State licensing agency. (Submit copies of any cooperative agreements.)

- 6.5 The Plan Materials shall state that such policies and procedures will be adopted governing the working relations between the State Agency and the operators as the Director may determine to be necessary.
- 6.6 Describe the policies, procedures and standards governing the relationship of the State Agency to the operators, including duties, supervision, transfer, discipline, entitlement to health, retirement and other benefits, and training designed to improve their proficiency.

Sec. 7.0 Fiscal Provisions

- 7.1 The Plan Materials shall state that complete inventories will be maintained, in accordance with such standards as may be established by the Director, of all vending stands, other equipment, stock, materials and supplies acquired for or used in the program.
- 7.2 Describe fully the inventory records and controls to be maintained for vending stands, equipment and stock, and the methods to be used in their verification.
- 7.3 Set forth the source of all funds used to meet the costs of management, control and operation of the program.
- 7.4 Where such costs are to be met, in whole or in part, from the proceeds of the program operations, the Plan Materials should set forth the basis for calculating the charges made upon the individual vending stands and other business enterprises as well as the justification for and adequacy of such charges.
- 7.5 The Plan Materials shall state that such accounts and supporting documents will be maintained as the Director may prescribe.
- 7.6 Describe the method of accounting for fiscal transactions of the program.
- 7.7 The Plan Materials shall state that all program proceeds will be retained by or for the benefit of the State Agency in a separate, continuing account subject to disbursement under the control and at the direction of the State Agency for such purposes only as are set forth in the Plan Materials.
- 7.8 Describe in detail the disbursing procedures used in the program.
- 7.9 Describe fully the policies, procedures, and basis for the establishment and use of fiscal reserves such as for repairs and replacement of vending stands and other equipment and for the purchase of new equipment.

- 7.10 The Plan Materials shall provide that the right, title and interest in and to the vending stands and other equipment used in the program will be vested only to the extent and in the manner provided by Section 601.18 of the Regulations.
- 7.11 The Plan Materials shall provide that all vending stands and other equipment used in the program will be suitably marked so as to indicate clearly the nature and extent of the State Agency's interest therein and that such other action will be taken as may be necessary under the laws of the State to establish, protect and maintain such interest.
- 7.12 Describe fully the methods to be used in the control of program proceeds and indicate how protection will be secured through insurance.
- 7.13 Indicate in detail the safeguards which will be adopted to maintain and preserve the interests of the State Agency in program assets, such as marking all vending stands and other equipment, legal recording of the State's interest, signs at the places where the business enterprises are carried on, etc.
- 7.14 The Plan Materials shall provide that the vending stands and other equipment used in the program will be disposed, by sale, exchange or otherwise, only in accordance with policies and procedures determined necessary by the Director.
- 7.15 The Plan Materials shall provide that upon the disposition or upon the use of the vending stands or other equipment for other than program purposes, the proceeds shall be credited to the Federal account in proportion to the Federal participation in the original expenditures for such vending stands and other equipment.
- 7.16 Describe the policies and procedures adopted with respect to the disposition of vending stands and other equipment used in the program.

Sec. 8.0 Reporting Procedures

- 8.1 The Plan Materials shall state that fiscal, statistical and operating reports with respect to the program will be furnished at such time and with such frequency as the Director shall determine to be necessary upon forms prescribed by the Director.

RESPONSIBILITY FOR THE MANAGEMENT, SUPERVISION AND OPERATIONS
OF THE BUSINESS ENTERPRISES PROGRAM (A-2.0)

BUSINESS ENTERPRISES PROGRAM

I. FEDERAL REQUIREMENTS - Responsibility of State Agency

The State agency shall assume full responsibility for the efficient management, control and operation of all phases of the Business Enterprises Program. This responsibility cannot be delegated or assigned to any other agency, association or individual.

In the event that an agreement is made for the purchase of certain services from a public agency or a private non-profit corporation, the State agency shall continue to be fully responsible for all phases of the management, control and operation of the program.

In more specific terms, some of the functions of the State agency in discharging its responsibilities with respect to the management, control and operation of the business enterprises program include the following:

- A. To plan, stimulate and promote a program of business enterprises for blind persons;
- B. To provide for the efficient management and control of all operations of the business enterprises program;
- C. To provide competent and adequate staff for the management and control of the business enterprises program;
- D. To provide day-to-day supervision of personnel responsible for the management and control of the operations of the program, including necessary in-service training for such personnel;
- E. To establish standards, methods and procedures for operating the business enterprises program;
- F. To develop and maintain satisfactory business relationships with lessors and building managers and with sources of supply, such as wholesalers and manufacturers;
- G. To exercise control over funds used in or derived from the business enterprises program operations;
- H. To maintain adequate records and to provide necessary reports.

II. FEDERAL REQUIREMENTS - Content of Plan Material

The Plan Materials shall provide:

- A. The methods and procedures adopted for carrying out the responsibilities of the State agency as outlined above;
- B. Positions established for the day-to-day supervision, management and control of the program; and
- C. Standards and policies for the selection and appointment of personnel qualified to perform the duties and responsibilities of the positions established.

III. FEDERAL REIMBURSEMENT

Under the provisions of Public Law 124 Federal funds will be available for one-half of the necessary expenditures for the acquisition of vending stands and equipment for business enterprises controlled by the State agency for the Blind. Federal reimbursement will not be available for any expenditures concerned with the management, supervision, control and operations of such enterprises. Expenditures for which Federal reimbursement is not available may be met from the proceeds of business operations or from sources other than Federal funds.

IV. FEDERAL RECOMMENDATIONS

No recommendations are being issued at this time for the establishment of specific positions. The duties and responsibilities for carrying out the functions mentioned above for which the agency is responsible may be assigned to whatever positions are necessary for the efficient operation of the program. Specific recommendations based upon the experience of the states in the management, control and operation of the business enterprises program will be issued as soon as such information is available.

SELECTION OF LOCATIONS (A-3.2)

BUSINESS ENTERPRISES PROGRAM

VENDING STANDSA. Federal Requirements

1. Each location for a vending stand shall be selected only after the State agency has determined that the establishment of a vending stand at that particular location will contribute to the maximum development of economic opportunities for the blind and will provide for the most productive utilization of program assets.
2. The determination of the State agency shall be made only upon the basis of established criteria and after an evaluation of all relevant facts disclosed and recorded as a result of a comprehensive survey of the particular location.
3. The criteria established by the State agency for the evaluation of vending stand locations shall take into consideration such factors as population, traffic, competition, continued availability and type of premises, potential return upon investment and other applicable items.

B. Federal Recommendations

The following criteria are recommended for the selection of vending stand locations. A suggested survey form which it is believed will be of assistance to the State agencies in evaluating particular locations is attached.

1. Where a stand is to be located in a building, that building should have a daily total of employees and visitors averaging at least 400; if the stand is to be located outside of a building, at least 700 persons should pass each day during business hours.
2. Where a stand is to be located in an industrial plant, at least 150 employees should have easy access to it; if the stand is to be located on the grounds of an industrial plant, at least 300 employees should have easy access to it.
3. Where a stand is to be located in a neighborhood,

shopping or business area of a community, the minimum population to be served should be not less than 1500.

4. Where a stand is to be located in a hospital or similar institution, there should be at least 150 patients; or if the stand is to be located on the grounds of a hospital, at least 500 patients or inmates should have easy access to it.
5. Where a stand is to be located in a hospital, institution or office building having a small number of visitors, it should be in a location not open to public view.
6. Stands should be established only in locations the continued availability of which is assured for at least a reasonable length of time through lease, permit or agreement.
7. Where it is necessary to pay rent for a stand location, such rent should not exceed 3% of the gross sales of the stand for the rental period.
8. Except in unusual circumstances, not more than 25% of the cost of establishing the stand should be expended for equipment or facilities which are not suitable for use in another location.

II. OTHER BUSINESS ENTERPRISES

A. Federal Requirements

The requirements for the selection of locations for vending stands as indicated in Part I-A above are also applicable to the selection of locations for other business enterprises.

B. Federal Recommendations

No recommendations are being issued at this time. Recommendations based upon the experience of the State agencies in selecting locations for other business enterprises will be issued as soon as such information is available.

SURVEY OF LOCATION FOR VENDING STAND

1. Owner of premises: Federal _____ State _____ County _____
Municipal _____ Private _____
2. Name of department, agency, or corporation operating premises:

3. Name and title of official in charge of premises:

4. Address of stand location _____
5. Type of stand: Inside _____ Outside _____
6. Average daily number of employees: In building _____
On premises _____
7. Average daily number of visitors to premises _____
8. Average daily number of persons passing location of outside stand
during business hours _____
9. Average daily number of hospital patients _____
Employees and staff of hospital _____
10. Total number of persons having access to stand _____
11. Cost of removable equipment _____
12. Cost of labor and materials for installation of equipment or fixtures
which must be left on premises _____
13. Types of merchandise permitted for sale _____

14. Value of current merchandise inventory: Actual _____ Estimated _____
15. Average monthly gross sales: Actual _____ Estimated _____
16. Net weekly earnings available to blind person:
- Actual _____ Estimated _____
17. Rental per month: If on % basis % _____ If fixed, amount \$ _____
18. List other monthly overhead expenses required in the operation of business at this location such as heat, light, taxes, licenses, help:
- _____
- _____
- _____
19. Stand must be in operation _____ days per week _____ hours per day.
20. Suggested opening hours _____ Closing hours _____
21. Location secured by: Lease _____ Permit _____ Agreement _____
- City Ordinance _____
22. Terms of arrangement: _____
- Duration of original arrangement _____ years.
23. Basis for renewal of arrangement: Automatic _____ Negotiation _____
- Satisfactory operation _____ Increased rental _____
- Other (Describe) _____
- _____
24. Population of the city _____. If a rural area, give the amount of population available and the radius from which customers will be drawn _____

25. Special conditions that must be observed under local laws or regulations:

26. Name of appraiser when established stand is purchased:

27. If purchase is made of established stand or business, can clear title be secured?

28. Description of location:

29. Description of competing business within five hundred feet:

30. Can other stands be installed on the premises or in the general area to be operated by blind persons without detriment to this location?

31. Number of persons required to operate business: Blind

Sighted

32. Do you consider this expenditure a sound business investment, and would you invest an equal amount of your personal funds in this enterprise?

33. Has this stand provided employment to a blind person previous to the date of this application?

_____ How many years? _____

34. Who has owned the stand up to this time? _____

35. What is your estimate of the length of time a vending stand can be successfully operated at this location by a blind person? _____

Remarks:

Provide any other information that will justify the establishment of a vending stand to be operated by a blind person at this location.

RECOMMENDED BY _____ Date _____

Person making survey

36. Were Federal funds ever requested or received for the purchasing of equipment or to pay for installation costs in this location?

Yes _____ No _____ If so, how much? _____

Dates _____

APPROVED BY _____ Date _____

Director, State Agency

AGREEMENTS WITH PUBLIC AGENCIES OR PRIVATE NON-PROFIT
CORPORATIONS SERVING THE BLIND (A-4.2)

BUSINESS ENTERPRISES PROGRAM

Introduction

In accordance with the provisions of Section 601.15 of the Regulations, the following materials have been issued establishing the requirements, standards, and recommendations with respect to the terms and contents of the agreements to be entered into between the State agency and any public agencies or private non-profit corporations serving the blind which are utilized in providing services in connection with the Business Enterprises Program.

These materials are not intended to set forth a standard type of agreement and have not been so phrased. Rather are they intended to describe the contents of such an agreement, to detail requirements which must be included in such an agreement, and to proffer suggestions with respect to certain areas of this agreement.

It is essential that the contract, as drafted, not only be in accord with the provisions of the approved plan materials and follow the provisions of all applicable State laws, but that it shall also contain all of the requirements set forth below and contain no provisions contrary to or in derogation of such required provisions.

I. Federal Requirements

A. If the right, title, and interest of the State agency to program assets is vested in the contracting agency or corporation, the agreement shall provide that such agency or corporation agrees:

1. To hold such right, title, and interest only as the nominee of the State agency;
2. To use, transfer, and dispose of such assets in such manner and under such terms and conditions only as the State agency may direct;
3. To take such steps as may be necessary to defend and maintain the State agency's paramount right, title, and interest to such assets; and
4. To execute such legal instruments as may be requested of it by the State agency from time to time to effectuate the transfer of such right, title, and interest, as may be vested in such agency or corporation to such transferee as the State agency may designate.

B. Where the agency or corporation is used to collect any of the proceeds of the program, the agreement shall provide that all such funds coming into the possession of the agency or corporation, either directly or indirectly:

1. Shall be promptly deposited by it in a designated bank or banks in a continuing, separate account, which account shall clearly indicate that the funds deposited therein are held for the benefit of the State agency;
2. Shall be disbursed from such account only in such manner and for such purposes as the State agency may direct; and
3. Shall not be used in any other manner or for any other purpose.

C. The agreement shall specifically set forth, in detail, the types and quantity of the services to be performed by the agency or corporation, the methods by which such services are to be performed, and that all such services shall be performed subject to the close and constant control, direction, and supervision of the State agency.

(Here would be inserted such services as the design, purchase, and installation of vending stands and other equipment, such other services as accounting, provision of insurance, repair and maintenance of the vending stands and equipment, methods to be adopted to assist and supervise the operators and the selection of personnel to perform such functions.)

D. The agreement shall provide for the frequent, periodic submission to the State agency of financial and statistical reports containing such information as the State agency may require.

E. The agreement shall provide that the agency or corporation shall maintain such records as the State agency determines to be necessary to reflect accurately all transactions made by the agency or corporation with respect to the program, and the agency or corporation shall agree that its books or records reflecting such transactions shall be subject to such audit as the State agency may direct.

F. The agreement shall contain detailed provisions setting forth the remuneration to be paid for the services rendered, or the method by which such remuneration shall be computed, and shall provide for periodic reevaluations of the amount of such remuneration at stated intervals and revisions thereof where excessive.

G. The agreement shall provide that the agency or corporation will take no action with respect to the program which will, directly, or indirectly, prejudice, impair, or limit:

1. The privileges or benefits of the operators;

2. The authority of the State agency to take any action deemed by it necessary or desirable for the proper and efficient management, control, and operation of the program, the selection, placement, and financial participation of the operators, and the purchase, utilization and disposition of program assets; and
3. The relationships established between the State agency and the operators.

H. The agreement shall provide that it shall be subject to the inclusion, by reference, of such standards as are subsequently adopted by the State agency pursuant to standards established in accordance with the provisions of Section 601.15 of the Regulations.

I. The agreement shall state that it may be terminated by either party thereto after reasonable notice to the other party and the term of such notice shall be specifically set forth in the agreement.

II. Federal Recommendations

No recommendations are being issued at this time. Recommendations based upon the experience of the State agencies in the management, control, and operation of the program will be issued as soon as such information is available.

RELATIONSHIPS BETWEEN THE STATE AGENCY AND THE
INDIVIDUAL OPERATORS (A-6.6)

BUSINESS ENTERPRISES PROGRAM

Introduction

In accordance with the provisions of Section 601.12 of the Regulations, the following materials have been issued establishing the requirements, standards and recommendations of this office with respect to the terms and contents of the Statement of Relationships existing between the State agencies and the individual operators. Such a statement of relationships is necessary in order to establish objectively, uniformly, and equitably the conditions to be fulfilled by the individual operators as well as to set forth the details of the obligations incumbent upon the State agency to foster the social economic welfare of the operators.

It is not the purpose of these materials to prescribe the exact form or language of such a statement of relationships. The information required to be submitted in the Plan Materials may be in the nature of a form agreement with the individual operators, of regulations adopted by the State agency, of a statement of policies issued by the State agency, or of a combination of these methods, so long as the applicable information indicated in the following Federal Requirements is included.

I. Vending Stands

A. Federal Requirements--Content of Statement of Relationships

1. The Statement of Relationships shall indicate the extent to which and the manner in which the State agency will exercise control of operations in the following areas:

- a. The designation of the suppliers from whom merchandise may be purchased;
- b. The enumeration of the types and trade names of the merchandise which may be sold;
- c. The limitations upon the extension of credit by the operators;
- d. The employment of assistants to the operators;
- e. The hours during which the operators will be expected to operate the vending stands; and
- f. Causes for which an operator may be removed, suspended, or demoted.

2. The Statement of Relationships shall describe all the privileges and benefits to which the operators will be entitled, especially with respect to:

- a. Vacations;
- b. Absences due to sickness;
- c. The opportunity for a hearing before the State agency to any individual operator for the presentation of complaints or questions in connection with his removal, suspension, demotion, or operation of the vending stand;
- d. Insurance and retirement benefits;
- e. The basis upon which the operators will participate financially in the program indicated either in dollar amounts or in percentages of net profits;
- f. The average minimum dollar amount guaranteed to individual operators; and
- g. The bases of, and arrangements for the settlement of the accounts of the individual operators upon their death, removal, or voluntary withdrawal from the program.

3. The Statement of Relationships shall provide that the individual operator agrees:

- a. To perform faithfully and to the best of his abilities the necessary duties in connection with the operation of the vending stands in accordance with the standards prescribed by State agency;
- b. That the paramount right, title, and interest to all vending stand equipment and merchandise is vested in the State agency;
- c. To take no action in derogation of or inconsistent with such paramount right, title, and interest; and
- d. To furnish such reports as the State agency may from time to time require.

4. The Statement of Relationships shall detail the assistance which the State agency will provide to the operator with respect to:

- a. Keeping of accounts;
- b. Display of merchandise;
- c. Purchasing of merchandise;
- d. Maintenance and repair of equipment;
- e. Development of sales techniques;
- f. Maintenance of attractive and clean location;
- g. Collection of program proceeds; and
- h. Preparation of reports required by the State agency.

5. The Statement of Relationships shall provide for modification thereof in accordance with standards adopted by the State agency pursuant to standards issued by the Director of the Office of Vocational Rehabilitation.

6. The Statement of Relationships shall provide for the adoption of appropriate procedures for explaining to individual operators the provisions of the relationships which exist between them and the State agency and for indicating the acceptance by the individual operators of such provisions.

B. Federal Recommendations

No recommendations are being issued at this time. Recommendations based upon the experience of the State agencies in the management, control, and operation of vending stands will be issued as soon as such information is available.

II. Other Business Enterprises

A. Federal Requirements--Content of Statement of Relationships

The Statement of Relationships between the State agency and the individual operators of business enterprises, other than vending stands, shall contain full information as required by I-A above, insofar as such information is not restricted in applicability to vending stands alone.

B. Federal Recommendations

No recommendations are being issued at this time. Recommendations based upon the experience of the State agencies in the management, control, and operation of the business enterprises other than vending stand programs will be issued as soon as such information is available.

Federal Security Agency
OFFICE OF VOCATIONAL REHABILITATION

ACCOUNTING SYSTEMS (A-7.6)

BUSINESS ENTERPRISES PROGRAM

I. VENDING STANDS

A. Federal Requirements

Accounts and supporting documents shall be maintained which will provide information in sufficient detail to accurately reflect the operations of a particular vending stand location; thus, providing profit and loss data, operating cost data, etc., for each individual operating location.

B. Recommendations

A chart of accounts has been designed to provide the minimum in information which the Director deems necessary for any operating vending stand. The accounts are explained in such a manner as to show what each represents, the method of charging and crediting each, and what the balance of each account shows. It is not mandatory that this system be followed but it is essential that any system of recording used provide at least the basic information available through this chart of accounts.

CHART OF ACCOUNTS

The following Chart of Accounts has been designed to provide the accounts which will ordinarily be required for the proper keeping of the records and the development of necessary information for the Controlled Vending Stand Program for the Blind. While the accounts specified are common, expansion for any requirements peculiar to the Controlled Vending Stand Program may be necessary in individual States. However, accounts should be added only when necessary, as any great expansion under ordinary circumstances would more likely be confusing rather than beneficial.

In the use of this Chart of Accounts, pages should be opened in a ledger for only such accounts as are required, and additional accounts added as needed.

In order to readily identify accounts pertaining to the Controlled Vending Stand Program, each has been numbered and given a VS prefix.

- VS- 1 Cash in Bank
- VS- 2 Stand Change Fund
- VS- 3 Central Merchandise Control
- VS- 4 Stand Merchandise Inventory
- VS- 5 General Stand Equipment Control
 - Equipment Stand No. 1
 - Equipment Stand No. 2
 - Equipment Stand No. 3
- VS- 6 Office Furniture and Fixtures
- VS- 7 Prepaid Insurance
- VS- 8 Accounts Payable
- VS- 9 Reserve for Depreciation--Stand Equipment
- VS-10 Reserve for Depreciation--Office Furniture and Fixtures
- VS-11 Surplus

VS-12 Investment in Stand Program
VS-13 General Stand Control
VS-14 Administrative Salaries
VS-15 Operators' Earnings
VS-16 Rent
VS-17 Utilities
VS-18 Office Supplies
VS-19 General Stand Expense
VS-20 Depreciation--Stand Equipment
VS-21 Depreciation--Office Furniture and Fixtures
VS-22 Insurance

EXPLANATION OF ACCOUNTS

ASSETS:

Cash in Bank (VS-1)

The balance in this account represents the amount of cash on deposit in the bank.

Debit this account with all cash deposited.

Credit this account with the amount of all withdrawals from the bank by check or otherwise.

At the end of the month the balance in this account reflects the amount of bank balance actually available and should be reconciled each month with the balance shown on the bank's statement.

Stand Change Fund (VS-2)

The balance in this account represents the amount of cash change fund which is actually on hand in the various stands, and which amount is set aside for use in making change.

The size of the Stand Change Fund should be fixed for each stand at an amount which is sufficient to meet the requirements of the business.

Debit this account with the amount set aside when the Stand Change Fund is established and with the amount of any increases in the size of the fixed fund.

Credit this account when the amount of the fixed fund is decreased.

Central Merchandise Control (VS-3)

This account represents the amount of merchandise on hand at the State Agency.

Debit this account with the actual cost of goods purchased by the State Agency as recorded in the Purchase Journal.

Credit this account with the actual Sales to Stands by the State Agency as recorded in the Sales to Stands Journal.

Central Merchandise Control (VS-3)--(Continued)

Goods returned to the vendor by the State Agency should be recorded as a credit to this account.

Goods returned to the State Agency by the Stands should be recorded as a debit to this account.

The resultant balance represents the amount of merchandise on hand at the State Agency. An adequate inventory should be maintained at all times.

Stand Merchandise Inventory (VS-4)

This account represents the amount of merchandise on hand at the stands.

Debit this account with the inventory of merchandise on hand at the various stands at the end of each period.

At the beginning of the new period, the balance in this account should be transferred to the General Stand Control account by crediting the Stand Merchandise Inventory account and by debiting the General Stand Control account.

An adequate inventory of each stand's merchandise should be maintained at all times.

General Stand Equipment Control (VS-5)

This is a controlling account and the balance represents and should agree with the net total of the balances of all amounts for stand equipment.

Debit this account with the cost value of all stand equipment as recorded in the Cash Disbursements Journal.

Credit this account with the total cost value of all stand equipment transferred, sold, or otherwise disposed of.

An adequate inventory for each stand should be maintained at all times.

Equipment--Stand #1

This account represents the individual stand equipment account.

Debit this account with the cost value of all equipment for this individual stand.

Credit this account with the cost value of equipment transferred, sold, or otherwise disposed of.

When an item of equipment is sold or is otherwise disposed of, the transaction should be handled as follows:

Credit equipment Stand #1 with the cost of the equipment as recorded in this account.

Equipment--Stand #1--(Continued)

Debit the Reserve for Depreciation--Equipment with the amount of depreciation accumulated on the equipment from date of acquisition to date of disposal.

Debit the proper account with the amount received from the sale of the equipment.

Credit "Other Income" with any profit, or debit "Other Expenses" with any loss incident to the disposal of the equipment.

Follow same procedure as outlined under Equipment--Stand #1, for Equipment--Stands Nos. 2, 3, 4, 5, 6, etc.

Office Furniture and Fixtures (VS-6)

The balance in this account represents the cost value of all office furniture and fixtures for use in conducting the business. This account should include desks, tables, chairs, typewriters, adding machines, files, etc. An adequate inventory should be maintained at all times.

A reserve for depreciation of furniture and fixtures should be set up periodically. (See Reserve for Depreciation--Office Furniture and Fixtures.)

Debit this account with the cash value of all equipment purchased as recorded in the Cash Disbursements Journal.

Credit this account with the cash value of all furniture and fixtures transferred, sold, or otherwise disposed of.

When an item of equipment is sold or otherwise disposed of, the transaction should be handled as follows:

Credit "Office Furniture and Fixtures" account with the cost of the equipment as recorded in this account.

Debit the "Reserve for Depreciation--Office Furniture and Fixtures" account with the amount of depreciation accumulated on the furniture and fixtures from date of acquisition to date of disposal.

Debit the proper account with the amount received from the sale of the furniture and fixtures.

Credit "Other Income" with any profit, or debit "Other Expense" with any loss realized on the disposal of the furniture and fixtures.

Prepaid Insurance (VS-7)

The balance in this account represents the unexpired portion of insurance premiums paid.

Debit this account with all insurance premiums, the term of which extends beyond the current month.

Prepaid Insurance (VS-7)--(Continued)

Credit this account, monthly, with that portion of the total which applies to the current month and debit insurance.

LIABILITIES:

Accounts Payable (VS-8)

This is a controlling account and the balance represents and should agree with the net total of the balances of accounts with trade creditors, which are to be carried in the controlled subsidiary ledger, known as the Accounts Payable Ledger.

Credit this account with the total amount of all purchases as recorded in the Purchase Journal.

Debit this account with the amount of all payments made to apply against open accounts as recorded in the Cash Disbursements Journal.

All debits and credits posted to this account should be posted to the proper account in the Accounts Payable Ledger at the time the entry is recorded in the General Ledger.

A trial balance should be taken at the end of each period and the net total of the balances in each individual account in the Accounts Payable Ledger should agree with the balance in this account.

Reserve for Depreciation--Stand Equipment (VS-9)

The balance in this account represents the amount of depreciation set up on equipment owned by the State Agency and in use in the operation of the stands.

Credit this account at the end of each period with that period's portion of depreciation set up on stand equipment.

Debit this account with the amount of depreciation reserve accumulated on stand equipment sold or otherwise disposed of.

Reserve for Depreciation--Office Furniture and Fixtures (VS-10)

The balance in this account represents the amount of depreciation set up on furniture and fixtures owned by the State Agency and in use in the operation of the business.

Credit this account at the end of each period with that month's portion of depreciation set up on office furniture and fixtures.

Debit this account with the amount of depreciation reserve accumulated on office furniture and fixtures sold or otherwise disposed of.

Surplus (VS-11)

The balance of this account represents the amount of cumulated profits.

At the end of each period, after all income and expense accounts have been closed out into "General Stand Control," the balance in the "General Stand Control" account should be transferred to this account.

Investment in Stand Program (VS-12)

The balance in this account represents the net investment in the business.

Credit this account with the amount of all assets acquired in the business.

General Stand Control (VS-13)

This is a controlling account and the balance represents and should agree with the net total of the balances of all Stand Control accounts which are to be carried in the controlled subsidiary ledger, known as the Stand Control Ledger.

Debit this account with the total amount of Sales made by the State Agency to the stands as recorded in the Sales to Stands Journal.

Debit and credit cash purchases and cash expenses paid by the stand operators to this account.

At the end of each period the various expense accounts; Salaries, Operators' Earnings, Rent, Utilities, Office Supplies, General Stand Expense, Depreciation, Insurance, etc., should be closed out and the total of the various expenses posted as a debit to the General Stand Control account.

Credit this account with all cash received from the stands as recorded in the Cash Receipts Journal.

At the end of each period credit this account with the total amount of merchandise inventory on hand at the stands and debit the Stand Merchandise Inventory account.

The resultant balance will be the amount of profit or loss from the period's operations. This balance should be transferred to Surplus and the account ruled off.

After the account has been ruled off and at the beginning of the new period, the amount of merchandise inventory on hand which is reflected as a debit balance in the Stand Merchandise Inventory account should be transferred as a debit to this account.

All debits and credits posted to this account should be posted to the proper Stand Control account in the Stand Control Ledger at the time the entry is recorded in the General Ledger.

Administrative Salaries (VS-14)

Debit this account with that part of the compensation of personnel devoting time to directing, planning, coordinating, managing, supervising the stand program as is applicable, maintaining necessary records and files in the State Agency as recorded in the Cash Disbursements Journal.

At the end of each period this account should be closed out into the General Stand Control account with corresponding distributing entries to each Stand Control account.

Operators' Earnings (VS-15)

Debit this account with the total amount of compensation to Stand operators and their assistants as recorded in the Cash Disbursements Journal.

At the end of each period this account should be closed out into the General Stand Control account with corresponding distributing entries to each Stand Control account.

Rent (VS-16)

Debit this account with all rent paid as recorded in the "Cash Disbursements Journal."

At the end of each period this account should be closed out into the General Stand Control account with corresponding distributing entries to each "Stand Control" account.

Utilities (VS-17)

Debit this account with the amount of all purchases of fuel, electricity, gas, water, telephone, etc., as recorded in the Cash Disbursements Journal. At the end of each period this account should be closed out into "General Stand Control" account with corresponding distributing entries to each Stand Control account.

Office Supplies (VS-18)

Debit this account with the amount of all purchases of office supplies such as paper, pencils, erasers, folders, rubber bands, clips, letterheads, envelopes, etc., as recorded in the "Cash Disbursements Journal." At the end of each period this account should be closed out into General Stand Control account with corresponding distributing entries to each Stand Control account.

General Stand Expense (VS-19)

Debit this account with the amount of all purchases of housekeeping supplies of all kinds such as mops, buckets, soap, brooms, etc., as recorded in the Cash Disbursements Journal.

At the end of each period this account should be closed out into General Stand Control account with corresponding distributing entries to each Stand Control account.

Depreciation--Stand Equipment (VS-20)

Debit this account, at the end of the period, with the amount set up for that particular period for depreciation on stand equipment.

At the end of each period this account should be closed out into General Stand Control account with corresponding distributing entries to each Stand Control account.

Depreciation--Office Furniture and Fixtures (VS-21)

Debit this account, at the end of the period, with the amount set up for the particular period for depreciation on office furniture and fixtures.

At the end of each period, this account should be closed out into General Stand Control account with corresponding distributing entries to each Stand Control account.

Insurance (VS-22)

Debit this account, at the end of the period, with that period's portion of the cost of all insurance including retirement and disability benefits to operators.

Thereafter, this account should be closed out into General Stand Control account with corresponding distributing entries to each Stand Control account.

EXPLANATION OF JOURNALS

The purpose of this group of Journals is to provide the recording of transactions of a similar nature and the accumulation in the proper account of all debits and credits arising from such transactions.

The Journals, in reality, become summarizing forms of all transactions of a more or less similar nature.

Debits and credits, recorded in the various accounts in the Journals, should be posted in the General Ledger to the debit and credit of the corresponding account, either at the time the entry is recorded in the Journals or at the end of each period, from the accumulated total of the several entries in the Journals. Thus the Journals accumulate only the details of the transactions for a given period and at the end of the period are closed out to the General Ledger.

The Journals are as follows:

- Cash Receipts Journal
- Cash Disbursements Journal
- Purchase Journal
- Sales to Stands Journal

Cash Receipts Journal (Exhibit A)

This journal is for the recording of all cash receipts. All cash received from any source, either in the form of checks or cash, should be entered in detail in this record when received and should be deposited intact.

No disbursements should be made from cash receipts. Checks should be issued in payment of all bills with the exception of such payments as may be conveniently handled through a Petty Cash Fund.

Receipts from stands should be entered individually in the column provided for each stand. Amount of cash received to be credited to accounts other than Stand Control accounts should be entered in the column captioned General.

At the end of the period the total amount received should be posted as a debit to Cash in Bank and as a credit to General Stand Control. The individual total credits for each stand should be posted to individual Control stands Nos. 1, 2, 3, 4, 5, and 6, accounts in the General Ledger.

The individual amounts in the General column should be posted to the credit of the proper account in the General Ledger.

Cash Disbursements Journal (Exhibit B)

This Journal is designed for the recording of all checks issued.

Checks should be numbered consecutively and should be issued for all disbursements with the exception of such small expenditures as may be properly handled through a Petty Cash Fund.

Any checks which are voided should be marked "voided" and the signatures cancelled. All voided checks should be filed in numerical order with the checks returned from the bank so that all checks may be accounted for.

In the Total Amount column should be entered the exact amount of the check. The total of this column at the end of the period should be credited to Cash in Bank, in the General Ledger.

Enter in the Administrative Salaries column that portion of all checks issued for payroll of personnel devoting time to directing, planning, coordinating, managing, supervising the stand program as is applicable, and maintaining necessary records and files in the State Agency.

Enter in the Operators' Earnings column the amount of all checks issued for compensation to stand operators and their assistants.

Enter in the Accounts Payable column the amount in settlement of Accounts Payable. The individual entries in this column should be posted to the debit of the proper creditor's account in the Accounts Payable Ledger.

Enter in the "Rent" column the amount of each check issued for rent.

Enter in the "Utilities" column the amount of each check issued for fuel, electricity, gas, water, telephone, etc.

Cash Disbursements Journal (Exhibit B)--(Continued)

Enter in the "Office Supplies" column the amount of each check issued for office supplies such as paper, pencils, erasers, folders, rubber bands, clips, letterheads, envelopes, etc.

Enter in the "Stand Equipment" column the amount of each check issued for Stand Equipment.

Enter in the "General Stand Expense" column the amount of each check issued for purchases of housekeeping supplies of all kinds such as mops, buckets, soap, brooms, etc.

Enter in the "General Expense" column the amount of each check issued for items other than those for which specific columns have been provided. The individual amounts in this column should be posted to the debit of the proper account in the General Ledger.

At the end of each period, the total amount of each classification column with the exception of the General Expense column should be posted to the debit of the respective account in the General Ledger.

Purchase Journal (Exhibit C)

This form is to provide for the recording of all invoices covering purchases by the State Agency.

Each invoice should be given a number and entered individually in this record.

At the end of the period the total should be posted to the debit of the Central Merchandise Control account and to the credit of Accounts Payable in the General Ledger.

The individual accounts in this column should be posted to the credit of the proper creditor's account in the Accounts Payable Ledger.

Sales to Stands Journal (Exhibit D)

This form is provided for the recording of all sales of merchandise by the State Agency to the various stands.

Each sale should be supported by a numbered invoice and each invoice entered individually in the column provided for each stand.

At the end of the period the total amount of sales should be posted to the debit of the General Stand Control account and to the credit of the Central Merchandise Control account in the General Ledger.

The individual amounts in the Stand column should be posted to the debit of the respective individual Stand Control accounts in the General Ledger.

LIST OF FORMS

The purpose of this group of forms is to provide the daily result of operations of each stand operator, the recording of such information, and the accumulation of all stand operations.

The forms are as follows:

Daily Report
Operator's Daily Summary
Monthly Stand Operating Summary Control

Daily Report (Exhibit E)

This form is to provide the daily result of purchases and sales of each stand operator. It should be prepared at the end of each day's business by the stand operator and submitted to the State Agency daily or at fixed intervals.

Enter in (B) the amount of cash on hand including change fund.

Enter in (C) the amount of total sales for day.

The total of (B) and (C) should be entered in (D).

Enter under (E) merchandise purchases with cash funds by the stand operator, such as milk, soda water, etc.

Enter under (F) purchases made by the stand operator from cash funds for items such as ice, cups, straws, napkins, etc.

Enter in (G) the total of cash purchases recorded in (E) and (F).

The difference between total cash handled (D) and the total cost disbursements (G) should be entered in (H) and represents the total cash on hand, including change fund, at the end of the day. Subtract the Change Fund in (J) and submit the cash balance (K) to the State Agency.

Operator's Daily Summary (Exhibit F)

This form is for the recording of the information contained in the "Daily Report" submitted by the stand operator.

Enter in column (1) Cash on Hand the amount of cash on hand at the beginning of each day as reported in (B) of the Daily Report.

Enter in column (2) Cash Sales, the amount of sales for each day as reported in (C) of the Daily Report.

Enter in column (3) total, the total amount of columns (1) and (2).

Enter in column (4) the amount of Stand Cash Purchases as reported under (E) of the Daily Report.

Enter in column (5) the amount of Stand Cash Expenses as reported under (F) of the Daily Report.

Operator's Daily Summary (Exhibit F)--(Continued)

Enter in column (6) "Total Cash Disbursed" the total amount of columns (4) and (5).

Enter in column (7) Cash turned in to State Agency, as recorded in (K) of the Daily Report.

Enter in Column (8) Cash on Hand, the resultant balance of columns $[3-(6+7)]$.

A separate sheet should be used for each stand and at the end of each period columns (2), (4), (5), (6), and (7) should be totaled.

As total of column (1) should be entered the Cash on Hand at the beginning of the period.

As total of column (3) should be entered the totals of columns (1) and (2).

As total of column (8) should be entered the Cash on Hand at the end of the period.

Monthly Stand Operating Summary Control (Exhibit G)

This form is provided for the periodic accumulation of all stand operations. At the end of each period the various total debits and credits recorded in each Stand Control Account (Exhibit G₁, G₂, G₃) should be entered in the captioned form for each stand.

Stand Control Ledger

This is a subsidiary ledger controlled by the General Stand Control account in the General Ledger. All debits and credits posted to the General Stand Control account in the General Ledger should be posted to the proper Stand Control account in the Stand Control Ledger at the time the entry is recorded in the General Ledger.

Stand Control #1 (Exhibit G₁)

This account represents the individual stand control account.

Debit this account under column Purchases from State Agency with the total amount of sales made by the State Agency to the stands as recorded in the Sales to Stands Journal.

Debit and credit cash purchases and cash expenses paid by the stand operator to this account under columns Stand Cash Purchases and Stand Cash Expenses.

At the end of each period the various expense accounts are closed out into the General Stand Control account. The portion that is applicable to this stand should be posted as a debit to the captioned account under column Expenses paid by State Agency.

Stand Control #1 (Exhibit G₁)--(Continued)

Credit this account with all cash received from the stands as recorded in the Cash Receipts Journal.

At the end of the period credit this account under column Closing Inventory with the amount of merchandise inventory on hand at this stand and debit the Stand Merchandise Inventory account.

The resultant balance between debits and credits is the profit or loss from the period's operations, which balance is closed out to surplus and the account ruled off.

After the account has been ruled off and at the beginning of the new period, the amount of merchandise inventory on hand which is reflected as a debit in the Stand Merchandise Inventory account should be transferred as a debit to this account.

All debits and credits posted to this account should be posted at the time the entry is recorded in the General Ledger.

Accounts Payable Ledger (Exhibit H)

The purpose of this form is to provide a detailed record of the amount payable to suppliers of merchandise, equipment, etc., purchased by the State Agency.

Credit entries on this form should be recorded from the supplier's invoice at the same time the transaction is recorded. Debit entries should be recorded from the Cash Disbursements Journal, made to apply against each account.

All Accounts Payable Ledger sheets should be filed in alphabetical order by supplier's name. A trial balance should be taken at the end of each period of the balances in each supplier's account, and the net total of all debits and credits should agree with the balance in the Accounts Payable account in the General Ledger.

II. OTHER BUSINESS ENTERPRISES

A. Federal Requirements

Accounts and supporting documents shall be maintained which will provide information in sufficient detail to accurately reflect the operations of a particular business enterprise; thus, providing profit and loss data, operating cost data, etc., for each individual operating location.

B. Recommendations

No recommendations are being made until more information has been received as a result of actual operation in the States.

Cash in Bank

Acct: V5-1

MULTIPLY COLUMNAR FORM 103		MADE IN U.S.A.				
Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/15/45	Bank Balance		10000.00			1
2 1/31/45	Cash Receipts from Stands	CRJ	1868.00			2
3 1/31/45	Cash Disbursements	CDJ		6145.00	5723.00	3
4 2/28/45	Cash Receipts from Stands	CRJ	7220.00			4
5 2/28/45	Cash Disbursements	CDJ		2758.50	10184.50	5
6						6

Stand Change Fund

Acct: V5-2

MULTIPLY COLUMNAR FORM 103		MADE IN U.S.A.									
Date		Explanation		Post Ref	Debits		Credits			Balance	
1	1/31/45	Change fund for Stand No. 1		CDJ	20.00						1
2	1/31/45	Change fund for Stand No. 2		CDJ	10.00						2
3	1/31/45	Change fund for Stand No. 3		CDJ	10.00					40.00	3
4											4

Central Merchandise Control

Acct: V5-3

MULTIPLY COLUMNAR Form 103		MADE IN U.S.A.				
	Date	Explanation	Post Ref.	Debits	Credits	Balance
1	1/31/45	Purchases	PJ	3800 00		
2	1/31/45	Sales to Stands	ST		2000 00	1800 00
3	2/28/45	Purchases	PJ	4500 00		
4	2/28/45	Sales to Stands	ST		6000 00	300 00
5						

Stand Merchandise Inventory

Acct: V5-4

MULTIPLY COLUMNAR FORM 103		MADE IN U.S.A.									
	Date	Explanation	Post Ref.	Debits	Credits	Balance					
1	1/31/45	Merchandise Inventory Stand No.1	IV	200.00						1	
2	1/31/45	Merchandise Inventory Stand No.2	IV	150.00						2	
3	1/31/45	Merchandise Inventory Stand No.3	IV	150.00					500.00	3	
4	2/1/45	To General Stand Control account	IV		500.00				--	4	
5	2/28/45	Merchandise Inventory Stand No.1	IV	200.00						5	
6	2/28/45	Merchandise Inventory Stand No.2	IV	150.00						6	
7	2/28/45	Merchandise Inventory Stand No.3	IV	150.00						7	
8	3/1/45	To General Stand Control account	IV		500.00				--	8	
9										9	
10										10	
11										11	
12										12	
13										13	
14										14	
15										15	
16										16	
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28										28	
29										29	

General Stand Equipment Control

Act: 15-5

MADE IN U.S.A.



MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post. Ref.	Debits	Credits	Balance	
1	1/31/45	Equipment for Stands	EDT	3500.00		3500.00	1
2	2/28/45	Equipment for Stands	EDT	100.00		3600.00	2
3							3

Equipment - Stand No. 1

MADE IN U.S.A.



MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post. Ref.	Debits	Credits	Balance	
1	1/31/45	1 Electric Cooler No. 111, size 8x12	EDT	800.00			1
2	1/31/45	1 Show Case No. 222 - 6 feet	EDT	200.00			2
3	1/31/45	5 Cabinets	EDT	500.00		1500.00	3
4							4

Equipment - Stand No. 2

MADE IN U.S.A.



MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post. Ref.	Debits	Credits	Balance	
1	1/31/45	1 Electric Cooler No. 113, size 7x9	EDT	500.00			1
2	1/31/45	3 Cabinets	EDT	300.00			2
3	1/31/45	1 Show Case	EDT	200.00		1000.00	3
4	2/28/45	1 Display Case	EDT	50.00		1050.00	4
5							5

Equipment - Stand No. 3

MADE IN U.S.A.



MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post. Ref.	Debits	Credits	Balance	
1	1/31/45	1 Electric Cooler No. 115, size 7x9	EDT	500.00			1
2	1/31/45	3 Cabinets	EDT	300.00			2
3	1/31/45	1 Show Case	EDT	200.00		1000.00	3
4	2/28/45	1 Display Case	EDT	50.00		1050.00	4
5							5
6							6
7							7
8							8
9							9
10							10
11							11
12							12
13							13
14							14
15							15
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27							27
28							28
29							29

Office Furniture and Fixtures

Acct. V_S-6MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref.	Debits	Credits	Balance	
1 2/28/45	2 Desks Walnut finish	CDJ	100.00			1
2 2/28/45	3 Chairs	CDJ	60.00			2
3 2/28/45	1 Typewriter - # 01378296	CDJ	90.00		250.00	3
4						4

Prepaid Insurance

Acct. V_S-7MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref.	Debits	Credits	Balance	
1 1/31/45	Stand Insurance for 3 months	CDJ	40.00			1
2 1/31/45	Portion applicable to January	JV		5.00	35.00	2
3 2/28/45	Portion applicable to February	JV		17.50	17.50	3
4						4

Accounts Payable

Acct. V_S-8MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref.	Debits	Credits	Balance	
1 1/31/45	January Purchases	PJ		3800.00		1
2 1/31/45	January Payments	CDJ	2300.00		1500.00	2
3 2/28/45	February Purchases	PJ		4500.00		3
4 2/28/45	February Payments	CDJ	1500.00		4500.00	4
5						5

Reserve for Depreciation - Stand Equipment

Acct. V_S-9MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref.	Debits	Credits	Balance	
1 2/28/45	February's portion of depreciation	JV		30.00	30.00	1
2						2
3						3
4						4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
15						15
16						16
17						17
18						18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29

Reserve for Depreciation - Office Furniture and Fixtures Acct: 15-10

MULTIPLEX COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1						1
2						2

Surplus

Acct: 15-11

MULTIPLEX COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Profit and Loss - January	JV		98.00	98.00	1
2 2/28/45	Profit and Loss - February	JV		264.00	362.00	2
3						3

Investment in Stand Program

Acct: 15-12

MULTIPLEX COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/1/45	Cash Investment			10000.00	10000.00	1
2						2

General Stand Control

Acct: 15-13

MULTIPLEX COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Purchases from State Agency	ST	2000.00			1
2	Cash Purchases by Stand Operator	ODS	25.00	25.00		2
3	Stand Cash Expenses by Stand Operator	ODS	7.00	7.00		3
4	Cash Receipts	ERT		1868.00		4
5	Expenses paid by State Agency	JV	270.00			5
6	Closing Merchandise Inventory	JV		500.00	98.00	6
7	Profit to Surplus	JV	98.00			7
8			2400.00	2400.00		8
9						9
10 2/1/45	Opening Inventory for February	JV	500.00			10
11 2/28/45	Purchases from State Agency	ST	6000.00			11
12	Cash Purchases by Stand Operator	ODS	50.00	50.00		12
13	Stand Cash Expenses by Stand Operator	ODS	30.00	30.00		13
14	Cash Receipts	ERT		7220.00		14
15	Expenses paid by State Agency	JV	956.00			15
16	Closing Merchandise Inventory	JV		500.00		16
17	Profit to Surplus	JV	264.00			17
18			7800.00	7800.00		18
19						19
20						20
21						21
22						22
23						23
24						24
25						25
26						26
27						27
28						28
29						29

Administrative Salaries

Acct: V5-14

MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Payroll - 1/15 to 1/31/45	CDT	10000			1
2 1/31/45	To General Stand Control Account	JV		10000	-0-	2
3 2/28/45	Payroll 2/1 - 2/15/45	CDT	17000			3
4 2/28/45	Payroll 2/16 - 2/28/45	CDT	17000			4
5 2/28/45	To General Stand Control Account	JV		34000	-0-	5
6						6

Operators' EARNINGS

Acct: V5-15

MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Compensation 1/26 - 1/31/45	CDT	11000			1
2 1/31/45	To General Stand Control Account	JV		11000	-0-	2
3 2/28/45	Compensation 2/1 - 2/17/45	CDT	26000			3
4 2/28/45	Compensation 2/16 - 2/28/45	CDT	26000			4
5 2/28/45	To General Stand Control Account	JV		52000	-0-	5
6						6

Rent

Acct: V5-16

MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Rental of State Agency	CDT	2500			1
2 1/31/45	To General Stand Control Account	JV		2500	-0-	2
3 2/28/45	Rental of State Agency	CDT	2500			3
4 2/28/45	To General Stand Control Account	JV		2500	-0-	4
5						5

Utilities

Acct: V5-17

MULTIPLY COLUMNAR
FORM 103

Date	Explanation	Post Ref	Debits	Credits	Balance	
1 1/31/45	Wash. Gas Light Co - Light	CDT	600			1
2 1/31/45	To General Stand Control Account	JV		600	-0-	2
3 2/28/45	Wash. Gas Light Co - Light	CDT	2000			3
4 2/28/45	To General Stand Control Account	JV		2000	-0-	4
5						5
6						6
7						7
8						8
9						9
10						10
11						11
12						12
13						13
14						14
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25						25
26						26
27						27
28						28
29						29

Office Supplies

Acct: V5-18

MADE IN U.S.A.

MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	1/31/45	Statt Paper Co - Letterheads	QDT	1200			1
2	1/31/45	To General Stand Control Acct.	TV		1200	-0-	2
3	2/28/45	Statt Paper Co - Rubber bands	QDT	150			3
4	2/28/45	To General Stand Control Account	TV		150	-0-	4
5							5

General Stand Expense

Acct: V5-19

MADE IN U.S.A.

MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	1/31/45	Lee Mop Co - Mops	QDT	1200			1
2	1/31/45	To General Stand Control Account	TV		1200	-0-	2
3	2/28/45	Lee Mop Co - Buckets	QDT	200			3
4	2/28/45	To General Stand Control Account	TV		200	-0-	4
5							5

Depreciation - Stand Equipment

Acct: V5-20

MADE IN U.S.A.

MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	2/28/45	February's portion of depreciation	TV	3000			1
2	2/28/45	To General Stand Control Account	TV		3000	-0-	2
3							3

Depreciation - Office Furniture and Fixtures

Acct: V5-21

MADE IN U.S.A.

MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post Ref	Debits	Credits	Balance	
1							1

Insurance

Acct: V5-22

MADE IN U.S.A.

MULTIPLY COLUMNAR
FORM 103

	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	1/31/45	Stand Insurance for January	TV	500			1
2	1/31/45	To General Stand Control Acct	TV		500	-0-	2
3	2/28/45	Stand Insurance for February	TV	1750			3
4	2/28/45	To General Stand Control Account	TV		1750	-0-	4
5							5
6							6
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Exhibit: A

Exhibit B

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Exhibit: B (continued)

Utilities	Office Supplies	General Stand Equip.	Insurance	General Expense Item	Amount
				Stand Equip.	350000
				Stand Change Fund	4000
				" "	1000
				" "	1000
			4000		
600	1400				
		1400			
600	1400	1400	4000		354000
				Office Furniture	45000
				Stand Equip.	10000
	150				
		400			
4000					
4000	150	400	-0-		35000

Operator's Daily Summary - Stand No. 1

Exhibit: F

Operator's Name		Location		Type		Type		Type		Type	
Date	① Cash on Hand	② Cash Sales	③ Total (①+②)	④ Stand Cash Purchases	⑤ Stand Cash Expenses	⑥ Cash Dist. (④+⑤)	⑦ Cash to State Agency	⑧ Cash on Hand (③-(⑥+⑦))			
1-28-45	7000	10000	17000	500	700	1200	-0-	11300	1		
1-29-45	11300	70000	81300	500	-0-	500	78800	7000	2		
1-30-45	7000	75000	82000	-0-	300	300	74700	7000	3		
1-31-45	7000	75000	82000	500	-0-	500	74500	7000	4		
January Totals	7000	80000	87000	1500	500	2000	78000	7000	5		
2-1-45	7000	90000	97000	1000	500	1500	90000	500	6		
2-10-45	500	90000	90500	1000	1000	2000	85000	3500	7		
2-28-45	3500	80000	83500	1000	500	1500	80000	7000	8		
February Totals	7000	760000	767000	3000	2000	5000	755000	7000	9		

Operator's Daily Summary - Stand No. 2

Exhibit: F

Operator's Name		Location		Type		Type		Type		Type	
Date	① Cash on Hand	② Cash Sales	③ Total (①+②)	④ Stand Cash Purchases	⑤ Stand Cash Expenses	⑥ Cash Dist. (④+⑤)	⑦ Cash to State Agency	⑧ Cash on Hand (③-(⑥+⑦))			
1-29-45	1000	70000	71000	800	-0-	800	19400	1000	1		
1-30-45	1000	15000	16000	-0-	700	700	-0-	15800	2		
1-31-45	15800	75000	90800	700	-0-	700	39600	1000	3		
January Totals	1000	60000	61000	1000	700	1700	58800	1000	4		
2-1-45	1000	90000	91000	500	500	1000	85000	5000	5		
2-10-45	5000	80000	85000	1000	-0-	1000	83000	1000	6		
2-28-45	1000	80000	81000	500	500	1000	79000	1000	7		
February Totals	1000	750000	751000	7000	1000	3000	747000	1000	8		

Operator's Daily Summary - Stand No. 3

Exhibit: F

Operator's Name		Location		Type		Type		Type		Type	
Date	① Cash on Hand	② Cash Sales	③ Total (①+②)	④ Stand Cash Purchases	⑤ Stand Cash Exp.	⑥ Cash Dist. (④+⑤)	⑦ Cash to State Agency	⑧ Cash on Hand (③-(⑥+⑦))			
1-30-45	1000	75000	76000	-0-	-0-	-0-	75000	1000	1		
1-31-45	1000	75000	76000	-0-	-0-	-0-	75000	1000	2		
January Totals	1000	50000	51000	-0-	-0-	-0-	50000	1000	3		
2-1-45	1000	70000	71000	-0-	-0-	-0-	70000	1000	4		
2-10-45	1000	70000	71000	-0-	-0-	-0-	69000	7000	5		
2-28-45	7000	80000	87000	-0-	-0-	-0-	81000	1000	6		
February Totals	1000	770000	771000	-0-	-0-	-0-	770000	1000	7		

NOTE: Total Col. ① = Cash opening day
Total Col. ② = Cash closing day
Total Col. ③ = Totals Col. ① + ②

Monthly Stand Operating Summary Control

Exhibit: G

January, 1945

Stand Number	Location	Type	① opening Inventory	② Purchase from State Agency	③ Stand Cash Purchases	④ Stand Cash Expenses	⑤ Total	⑥ Stand Sales
1	Laurel Court	Vending	-0-	800.00	15.00	5.00	820.00	800.00
2	Pimlico Avenue	Soda Shop	-0-	600.00	10.00	7.00	617.00	600.00
3	River Road	Snack Bar	-0-	600.00	-0-	-0-	600.00	500.00
Total January Operations			-0-	1000.00	25.00	12.00	1037.00	1900.00

February, 1945

1	Laurel Court	Vending	100.00	1000.00	30.00	7.00	1137.00	1600.00
2	Pimlico Avenue	Soda Shop	150.00	1100.00	7.00	10.00	1287.00	1500.00
3	River Road	Snack Bar	150.00	1900.00	-0-	-0-	2050.00	1700.00
Total February Operations			500.00	6000.00	50.00	30.00	6580.00	7300.00

Monthly Stand Operating Summary Control (continued)

Exhibit: G

January, 1945

① closing Inventory	② Total	③ Difference	④ Exp. Paid By State Agency	⑤ Profit
100.00	1000.00	180.00	100.00	80.00
150.00	1500.00	138.00	85.00	53.00
150.00	650.00	50.00	85.00	-35.00
500.00	2400.00	368.00	270.00	98.00

February, 1945

100.00	1800.00	550.00	416.00	134.00
150.00	1650.00	370.00	305.00	65.00
150.00	1350.00	300.00	235.00	65.00
500.00	7800.00	1740.00	956.00	264.00

Stand Control Ledger

Location: Laurel Court

Stand Control No. 1

Exhibit: G-1
Type: Vending Stand

Date	Explanation	Post Ref.	opening Inventory	State Agency Purchases	Stand Cash Purchases	Stand Cash Expenses	Expenses Paid By Central Agency	Profit
1-31-45	Purchases	SV		80000				
	Cash Purchases	ODS			1500			
	Cash Expenses	ODS				500		
	Cash Receipts	CRJ						
	Expenses	JV					10000	
	Closing Inventory	JV						
	Net Profit	JV						8000
January Totals				80000	1500	500	10000	8000
1-1-45	Opening Inventory	JV	40000					
1-28-45	Purchases	SV		400000				
	Cash Purchases	ODS			3000			
	Cash Expenses	ODS				4000		
	Cash Receipts	CRJ						
	Expenses	JV					41600	
	Closing Inventory	JV						
	Net Profit	JV						13400
February Totals			40000	400000	3000	4000	41600	13400

Stand Control Ledger

Stand Control No. 1 (Continued)

Exhibit: G-1

DEBIT	Cash Receipts	Stand Cash Purchases	Stand Cash Expenses	Closing Inventory	Loss	Balance
Balance						
80000						
81500		1500				1500
84000			500			4000
	78000					80000
94000				40000		100000
100000						
100000	78000	1500	500	40000		100000
40000						
440000						
443000		3000				3000
445000			4000			5000
	455000					460000
466600						
				40000		480000
480000						
480000	455000	3000	4000	40000		480000

Stand Control Ledger

Exhibit G-2

Location: Pimlico Avenue

Stand Control No. 7

Type: Soda Shop

			D	E	B	I	T	S
Date	Explanation	Ref.	opening Inventory	State Agency Purchases	Stand Cash Purchases	Stand Cash Expenses	Expenses Paid by State Agency	Profit
1/31/45	Purchases	SJ		600.00				
	Cash Purchases	ODS			70.00			
	Cash Expenses	ODS				10.00		
	Cash Receipts	CRJ						
	Expenses	JV					85.00	
	Closing Inventory	JV						
	Net Profit	JV						53.00
	<u>January Totals</u>			600.00	70.00	10.00	85.00	53.00
2/1/45	Opening Inventory	JV	150.00					
2/28/45	Purchases	SJ		710.00				
	Cash Purchases	ODS			70.00			
	Cash Expenses	ODS				10.00		
	Cash Receipts	CRJ						
	Expenses	JV					305.00	
	Closing Inventory	JV						
	Net Profit	JV						65.00
	<u>February Totals</u>		150.00	710.00	70.00	10.00	305.00	65.00

Stand Control Ledger

Stand Control No. 7 (Continued)

Exhibit G-2

DEBIT	C	R	E	D	I	T	S
Balance	Cash Receipts	Stand Cash Purchases	Stand Cash Expenses	Closing Inventory	Loss	Balance	
600.00							1
670.00		70.00				74.00	2
630.00			10.00			30.00	3
	588.00					618.00	4
715.00							5
768.00				150.00		768.00	6
							7
768.00	588.00	70.00	10.00	150.00		768.00	8
							9
150.00							10
775.00		70.00				74.00	11
770.00			10.00			30.00	12
780.00						750.00	13
	747.00						14
758.50							15
				150.00		765.00	16
765.00							17
							18
765.00	747.00	70.00	10.00	150.00		765.00	19
							20
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(Accounts Payable Ledger)

Exhibit: H

Clark Candy Co.

MULTIPLY COLUMNAR FORM 103		MADE IN U.S.A.					
	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	1/31/45	Purchases	PT		2300.00		1
2	1/31/45	Payment - Check No. 104	CDT	2300.00		- 0 -	2
3	2/28/45	Purchases	PT		2000.00	2000.00	3
4							4
5							5
6							6
7							7
8							8

(Accounts Payable Ledger)

Exhibit: H

OK Nut Co

MULTIPLY COLUMNAR FORM 103		MADE IN U.S.A.					
	Date	Explanation	Post Ref	Debits	Credits	Balance	
1	1/31/45	Purchases	PJ		1500.00	1500.00	1
2	2/28/45	Purchases	PJ		2500.00		2
3	2/28/45	Payments CK No. 122	CDJ	1500.00		2500.00	3
4							4
5							5
6							6
7							7
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STATEMENT OF FEDERAL POLICY REGARDING DISPOSITION
OF VENDING STANDS AND OTHER EQUIPMENT (A-7.14)

BUSINESS ENTERPRISES PROGRAM

I. FEDERAL REQUIREMENTS:

- A. All sales of vending stands and other equipment used in the Business Enterprises Program shall be made in accordance with applicable State laws, regulations, and standards covering the sale of equipment owned by the State. In the absence or inapplicability of such State laws, regulations, and standards, the State Agency shall secure bids from individuals or dealers in sufficient numbers to insure receiving the highest possible returns for the articles sold. Proceeds received from sales of vending stands and other equipment shall be credited to the Federal account in the same proportion as the Federal participation in the original expenditures.
- B. When old or obsolete vending stand or other equipment is exchanged as part-payment for new equipment, the trade-in allowance accepted by the State Agency for the equipment exchanged shall be in accordance with applicable State laws, regulations and standards. In the absence or inapplicability of such State laws, regulations and standards, the trade-in allowance accepted by the State Agency shall be comparable to the allowance customarily made for articles of like character and in like condition.

II. FEDERAL RECOMMENDATIONS:

No recommendations are being issued at this time. Recommendations based upon the experience of the State Agencies in the management, control, and operation of the Business Enterprises Program will be issued as soon as such information is available.

III. FEDERAL REIMBURSEMENT:

In accordance with the provisions of Section 601.16 of the Regulations, Federal reimbursement is limited to one-half the necessary cost of the acquisition of vending stands or other equipment for the Business Enterprises Program and shall not exceed \$450 for any one vending stand or for any one business enterprise.

IV. EXPLANATORY MATERIAL:

A. Transfer of Vending Stand or Other Equipment

1. When vending stand or other equipment is transferred from one location to another the State Agency should first determine that such a transfer will not result in increasing the total Federal participation in the location to which the vending stand or other equipment is transferred to an amount greater than \$450 since Federal participation in the cost of vending stand or other equipment for a particular location is limited to one-half of the cost of such vending stand or other equipment, in no case to exceed \$450.
2. In transferring vending stand or other equipment from a location operated under the Business Enterprises Program to a location not theretofore a part of the Business Enterprises Program, it should be noted that, according to Section 601.1 (h) of the Regulations, "Program" means "the establishment, maintenance and operation for the benefit of blind persons of vending stands and other business enterprises controlled by the State Agency, where Federal reimbursement under the Act is claimed for any portion of the expenditures for the acquisition of the vending stands or other equipment used or where funds are used which are derived in whole or in part from the operation of such vending stands or other business enterprises".

B. Illustrative Examples

1. If Federal participation in the original expenditures for a vending stand or other equipment for a particular location was \$450 (the total cost being \$900) and the vending stand or other equipment is later sold for \$200, one-half of this amount, namely \$100, shall be credited to the Federal account. Since the Federal participation in the vending stands and other equipment was originally \$450, further Federal participation for a vending stand or business enterprise at the same location would be limited to the Federal share of the amount received from the sale, namely \$100.
2. If Federal participation in the expenditures for a vending stand or other business enterprise for a particular location was \$250 and such vending stand or other equipment is subsequently transferred to a new location, Federal participation in the purchase of additional vending stand or other equipment for the new location would be limited to \$200 so as to

keep the total Federal participation in that location within the maximum of \$450.

3. If Federal participation in the expenditure for a vending stand or other business enterprise for a particular location was \$450 (the total cost being \$900) and part of the vending stand or other equipment, the original cost of which was \$200, is subsequently traded in as part-payment towards the purchase of the new equipment for the same location and the trade-in allowance is \$50, further Federal participation in expenditures for that location will be limited to the Federal share of the trade-in allowance, namely \$25.

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U. S. SECURITY AGENCY BUSINESS
BUSINESS ENTERPRISES PROGRAMS FOR
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